

CHESAPEAKE AND DELAWARE CANAL.

[To accompany bill H. R. No. 464.]

MEMORIAL

OF

THE CHESAPEAKE AND DELAWARE CANAL COMPANY,

RELATIVE TO

The stock held therein by the United States.

JUNE 17, 1846.

Ordered to be printed.

To the Senate and House of Representatives of the United States in Congress assembled:

The memorial of the president and directors of the Chesapeake and Delaware Canal Company

RESPECTFULLY REPRESENTS:

That, being intrusted with the care and supervision of the important work which connects together the waters of the Chesapeake and Delaware bays, and makes a navigable channel of commercial communication between those two large estuaries, they are desirous of aiding the efforts which they have reason to believe the enterprise of many citizens of Pennsylvania is willing to accomplish by perfecting its navigation so that it may be used by steamers, revenue cutters, and seagoing vessels of a large size. This is only to be done by the construction of new locks of greatly enlarged capacity.

This important object can be effected at once, as the memorialists are well assured, if the government shall consent to relinquish the stock which it holds in the company, so that its capital can be reduced by that amount. The funds derived from the capital stock originally subscribed, and exceeding a million of dollars, of which four hundred and fifty thousand dollars were subscribed by the United States, proved to be entirely insufficient to construct the work, and the residue necessary for this purpose was obtained by loans, secured by a pledge of the proceeds to be derived from the work when completed. These have proved so far to be insufficient to pay the large amount of interest on these loans which has accrued and remains unpaid—much less to redeem the principal of them—so that it is rendered quite certain that the capital stock can yield no re-

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turns whatever within any period that can be conjectured, though it has largely contributed to the execution of a work of great importance and benefit to the community.

If the original capital stock can be thus reduced, it is ascertained that, by the exertions and enterprise of individuals, sufficient additional funds can be obtained to make the proposed new locks. In that event, not only would a great benefit be conferred on the commerce, navigation, and internal trade of a very large portion of the Union, to which great facilities would be thus extended; but the government would obtain directly and in fact a great advantage in having a communication by water for large steamers, revenue cutters, and other vessels, that are now obliged to pass round at a great distance and by sea. Should not these considerations be deemed adequate for the relinquishment of the stock, whose value is merely nominal and must remain so, a remission of the tolls, chargeable on such vessels, and on troops, munitions of war, and public property, passing through the canal in time of war, would effect a direct and certain saving in money to the government, which would form a most valuable compensation to them for what they should relinquish; and for which, if this object be not effected, they will, in all probability, receive no pecuniary return whatever.

Taking into view these considerations—that the United States, by the relinquishment of its interest in a stock without intrinsic value to themselves, can promote an important public and national benefit, and at the same time actually secure advantages equivalent to a large pecuniary return—the president and directors of the Chesapeake and Delaware Canal Company entertain the confident hope that an act may be passed to that effect; and this they respectfully solicit.

By direction and on behalf of the board of president and directors of the Chesapeake and Delaware Canal Company.

R. M. LEWIS,
GEO. CADWALADER,
HENRY D. GILPIN.

Correspondence between the Secretary of the Treasury and the committee of the Chesapeake and Delaware Canal Company, relative to the relinquishment of the stock held therein by the United States.

WASHINGTON, May 28, 1846.

SIR: The undersigned have been appointed by the president and directors of the Chesapeake and Delaware Canal Company a committee to submit a proposition on their behalf to the government of the United States, which, in their opinion, will be at once of great benefit to the public and of particular advantage to the government.

It will promote and essentially augment the patriotic purposes which led to the construction of a communication by water from the Chesapeake to the Delaware bay, facilitate in a most valuable manner internal commerce between the States, and give very important facilities to the government at all times, but especially in time of war. As the large interest of the United States in the stock of the company is placed by law under your charge, we are directed, in the first instance, to submit the subject

to your consideration, and if you approve it, to ask your aid in its execution.

The United States have subscribed two thousand two hundred and fifty shares, amounting, at their par value, to \$450,000; which sum, together with the residue of the stock subscribed and paid in, amounting to more than a million of dollars, proved altogether inadequate to complete the work. The additional amount, exceeding a million and a half of dollars, was obtained by loans made chiefly by the citizens of Philadelphia, on a pledge of repayment of principal and interest out of the proceeds of the work when finished. Owing to the determination of the company to construct the work on a plan which would afford the greatest commercial facility, a very large expenditure was necessarily incurred, and it became impossible to pay out of the proceeds even the interest on the loans, until within the last year, when a small dividend of interest has been paid. Under these circumstances the original stock of the company can possess little intrinsic value, at least within a very long period of years, though it has served to aid in producing a work of vast general benefit.

The depth and width of the canal are such as to admit the transit of large vessels; but though the present locks are of very considerable dimensions, they are not such as to pass through steamers, and vessels of such capacity as it would be of great importance at all times, and especially in a period of war, to enable so to do. It has long been an object deemed to be of paramount importance, by those who have considered the subject, to have an additional set of locks constructed, to be used for the transit of a large class of steamers, revenue cutters, and seagoing vessels, so that the whole communication from the southern extremity of the Chesapeake bay might be secured through the great internal estuaries, which require only these short intercommunications to afford a system of internal navigation and commerce along the seaboard, whose benefits are so obvious that they need not be dwelt on.

We are well assured that this object can be accomplished by funds raised from individual enterprise, if the stock of the United States could be relinquished and the capital be reduced by that amount; and it is believed that the direct benefits which could be given to the United States, in consideration of such relinquishment, would be a full and actual compensation for it. It is quite certain that from the stock itself no return can be expected to be realized within a period possible to be conjectured; but if these additional locks are constructed, an opportunity will be given for the passage of its revenue cutters, steamers, and other vessels, and the transmission of its property by a mode and between distant points of the seaboard, which, in saving of time and risk, would produce certain and substantial benefits to the public service. These circumstances alone afford, it is thought, no inadequate compensation for the relinquishment of an interest which can of itself produce no pecuniary return. But if these should not be deemed sufficient, such provision may be made for the remission of tolls, in time of war, on the passage of government vessels, and the transmission of military stores, troops, and public property in general, as will actually save to the government a large expenditure, and thus, in point of fact, afford them a constant and increasing return on their investment in this stock equivalent to a direct pecuniary one, which must otherwise remain without any return whatever.

Nor is it improper to advert, in addition, to the circumstance that the measure, while it results in these direct advantages to the government, is aiding the completion of a work which produces most important benefits to the enterprise, production, commerce, and navigation of the country.

Trusting, sir, that you may give your approval to the object we have in view, and aid in its accomplishment,

We are, very respectfully, your obedient servants,

R. M. LEWIS,
GEO. CADWALADER,
H. D. GILPIN.

Hon. ROBERT J. WALKER,
Secretary of the Treasury.

TREASURY DEPARTMENT, June 2, 1846.

GENTLEMEN: Your letter of the 28th ultimo was duly received, and in reply I have the honor to state that, in my opinion, it would be proper for the government, in all cases, to disconnect itself from private corporations, and particularly with that you represent; as in even a pecuniary point of view the existing connexion has never produced any revenue. I therefore would recommend that the interest of the United States in the Chesapeake and Delaware Canal Company should be relinquished upon the terms stated by you. I would, however, suggest that in the event of such relinquishment, the large amount expended by the United States in aiding to construct the canal might be considered a sufficient consideration for a remission of the tolls on public vessels, &c., in time of peace as well as of war.

I am, very respectfully, your obedient servant,

R. J. WALKER,
Secretary of the Treasury.

Messrs. R. M. LEWIS,
GEO. CADWALADER,
HENRY D. GILPIN.